

longer incur expenses nor generate revenue for conducting this examination. These costs are estimated at \$2,100 each year.

Board of Investments:

1. State bank examiners will no longer examine individual loans made by the Board of Investments.
2. Loans referenced in HB 47 are made from the permanent coal tax trust.
3. Maximum loan size is currently 1% of the coal tax trust principal balance.
4. Maximum loan size will be 10% of the coal tax trust principal balance.
5. Job credit interest rate reductions are limited by law to a maximum of 2.5% of loans up to 1% of the trust.
6. The 1% restriction on loan amounts eligible for job credit interest rate reductions is removed.
7. Income from the coal tax trust is and will continue to be deposited in the state general fund.
Trust loan losses will continue to be covered by reductions in coal tax trust principal.
8. The elimination of state bank examinations will have no material impact on the Board of Investments budget.
9. Increasing the maximum loan size restrictions will have no impact on the trust or the state general fund.
10. Removing maximum size restrictions on job credit interest rate reductions could potentially reduce general fund income to the extent that loans for which job credit interest rates are granted exceed 1% of the trust.
11. It is not possible to accurately predict the impact on the trust or the state general fund.

FISCAL IMPACT:

Banking & Financial Institutions:

	<u>FY2002</u> <u>Difference</u>	<u>FY2003</u> <u>Difference</u>
<u>Expenditures:</u>		
Personal Services	(\$2,100)	(\$2,100)
<u>Funding:</u>		
State Special Revenue (02)	(\$2,100)	(\$2,100)
<u>Revenues:</u>		
State Special Revenue (02)	(\$2,100)	(\$2,100)
<u>Net Impact to Fund Balance (Revenue minus Expenditure):</u>		
State Special Revenue (02)	0	0